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REF ID: A61-10906

NUMBER OF PAGES 3 NUMBER OF ENCLOSURES

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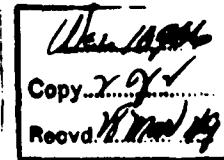
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P. [redacted]
[redacted]



Palestine

The position of the Arab Government and
the PLO

The attached information, dated the end of February, comes from a new Arab source in touch with Abd El Nasser and other members of the Arab's entourage. Para 3 was supplied by [redacted] and the last two paras by a third source in touch with [redacted] officials.

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PALESTINE,

Political.

The Present Position of the GAZA Government.

(End of February, 1948)

A new source who is believed to be well-placed has reported on the present position of the "GAZA Government" and the intentions of the ex-MUFTI.

I. Abdul HILMY Pasha.

Abdul HILMY Pasha, Prime Minister of the "GAZA Government", is very dissatisfied with the way he is being treated by the ex-MUFTI. Although nominally head of the "GAZA Government" Abdul HILMY is not even allowed to engage a guard for himself - the ex-MUFTI keeps everything under his own control. The monthly payment of £415,000 to the "GAZA Government" or the Arab League is made direct to the ex-MUFTI, and Minister's salaries, supposed to be £8140 per month, have recently been cut to £800. Abdul HILMY is looking for some means of leaving the "GAZA Government" and would join KING ABDULLAH in AMMAN if it were possible for him to leave EGYPT. He realises that his departure for AMMAN could probably prove a death-blow to the "GAZA Government" and that the ex-MUFTI will therefore use every means in his power to prevent his departure. To check his movements and intentions, HILMY has proposed to the Egyptian and Syrian Governments that he should be authorised to armise himself border in the North of PALESTINE. He estimates that £2250,000 would be required for such a purpose, but neither Government has shown any interest in the proposal. He is also reported to have written to the various Arab States and told them that the "GAZA Government" can not carry on any longer. He says that they have created a state without financial resources and that now is the time to face facts and call it a failure.

2. Activities and intentions of the ex-MUFTI.

a) In private conversation on February 25th the ex-MUFTI admitted that the conclusion of an armistice by the Egyptians had been a disappointment to him, and that the proposed talks by King ABDULLAH looked as if they would put paid to the possibility of a unified Arab state

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in PALESTINE/.....

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in PALESTINE. He still has hopes of arousing the morale of the Arab states to continue the struggle for a free PALESTINE by underground means. At this moment he is trying to re-arrange the organizations to allow him to nominate guerrillas in the areas under their control but he has not had much success. As for money, he has \$15,000 from I.M.O.U.SA and the T.A.N and is hoping to get further subscriptions from the Arabs in CHILI and MEXICO. He has written to two prominent Egyptian Arabs, one Grant & SCHLOSS in MEXICO and the other Abu JAROUS in CHILI, asking them to make collections among their expatriate friends there. At least this man is a rich and influential person that there will be able to help him materially.

b) Source has also reported that others in close touch with the ex-KUFTI believe that he is contemplating a series of terror in Arab countries other than EGYPT, and that he will attempt to terrify the community and make them think that it is dangerous to try to live on friendly terms with the Jews. One of the most likely targets of attack is said to be King of SAUDI as the ex-KUFTI thinks that SAUDI has been responsible for BHUJAIK's opposition to the ex-KUFTI. The ex-KUFTI's own armed men in PALESTINE have been acting positively as they have not been paid, and the ex-KUFTI always insists that every protest with any sort of a outcome be given to the MUSLIMI people.

Comment by source:

Source believes that with very little provocation those men would desert the ex-KUFTI and go over to King ABDULLAH. In his opinion this would strengthen AbdULLAH's position as it would mean a reinforcement of men for him who had actually fought for PALESTINE and who had been previously opposed to him.

3. Attitude of the Syrian Government towards the ex-KUFTI.

Early this week the ex-KUFTI asked to see King FAISAL but he has not yet been granted an audience. In this connection an authoritative source reports that an advice report of from the Syrian Minister in BUCHARIA at the beginning of February the King instructed the Prime Minister to keep a close watch on the ex-KUFTI and his activities. Guards on the ex-KUFTI were to be doubled, and his lieutenant/.....

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Liaison agents were gradually to be told that their presence in EGYPT was no longer desirable. In this way it was hoped that the ex-SUFTI would eventually be forced out of the country.

4. Attitude of the Egyptian Government towards the "PAZA Government"

The previously friendly attitude of the Egyptians seems to have changed a great deal recently. One of the members of the PALESTINE "General Assembly", Salim LUSSAK, has been trying for months to get permission to enter EGYPT, but it has always been refused.

5. Description of the "PAZA Government"

In addition to Ahmed HILY's reported intended desertion of the "PAZA Government" (see comment I above) an independent and reliable source has reported that towards the middle of February there was a meeting between Shukri Abu al SAUD, #11: OROUQI, Secretary of the Arab Higher Committee, and Michael AUGUSTUS, Minister of Finance in the "PAZA Government", on the one hand and the ex-SUFTI and his party on the other. Shukri Abu al SAUD is said to have begun to favour KHALED ABDULLAH and to be in close touch with SHAWKI HAMDARI, the former SUFTI of PAZA, who is now with ABDULLAH in ANKARA. It is believed that SUUD will desert to ABDULLAH and offer allegiance to ABDULLAH.

6. Anti-SUFTI feelings in PALESTINE

The same source reports that a wave of anti-SUFTI feelings is spreading throughout PALESTINE and that this is attributable to the misuse by the ex-SUFTI and his network of funds entrusted to them to assist the needy. Source adds as a further reason that Jewish and "LA SJORDA" -marcands is beginning to take effect in PALESTINE.